

FEDERAL NETWORK

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Mr. William Catin
Secretary, Federal Communications Commission
1919 M Street NW, RM 222
Washington DC, 20554

RE: Reply Comments to PCS Broadband Restructure, WT Docket 97-82

Dear Mr. Catin:

The Federal Network is a recently formed telecommunications gateway and wireless reselling company, planning on offering mobile and wireless local access services in all of our markets. Our company was formed to market and distribute PCS services in association with entrepreneurial block carriers. We previously shared with you, in a letter dated June 13, a brief description of our company, our business plan and our sincere interest in the ongoing viability of the C Block licensees.

Although we are a San Diego based company, we felt that it was important for us to attend and participate in your "open mike" session regarding C Block restructuring on Monday. Anthony Prince, a principal in our company, attended the Public Forum on Monday, however he was unable to present our position due to the time constraints. Therefore, I felt that it was appropriate to share with you some of our additional thoughts regarding the C, (*competition*) - Block.

Federal Network wholeheartedly supports a quick and decisive restructure plan for the C Block. We believe that restructure is a far superior alternative in establishing the competition you envisioned with PCS, than a re-auction of the spectrum. As each day passes, the entrenched cellular carriers continue to grow market share with little regard to the needs of the customer, the American consumer. Our resale plan has at its very foundation, the concept of providing an *all day, every day* value offering for local wireless access.

A quick and decisive restructure plan would allow companies such as ours, to grow quickly while taking advantage of the current window of opportunity created by PCS technology. I also firmly believe that time-to-market is an issue. If C Block is re-auctioned, the corresponding delays will seriously impact our company's ability to survive and will correspondingly make it even more difficult for companies such as ours and other C Block carriers to eventually develop market share.

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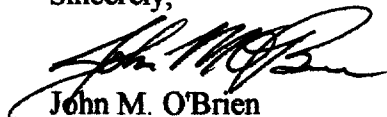
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One final note:

We have been provided with a copy of Omnipoint's filing regarding C Block debt restructure. We take great exception to Omnipoint's description of the resale business as a "problem", (see paragraph 3 entitled The Resale Problem). Our business was formed to supplement the marketing efforts of the C Block carriers. As you may be aware, the single highest cost of providing wireless service is not the cost of infrastructure or licensing, but rather the cost of "customer acquisition". Our capital needs, like the C Block carriers themselves, is substantial. We disagree with Omnipoint's position that a debt restructure subsidizes gateway companies and resellers such as ourselves. We do however agree with Omnipoint in one specific area and that is, we resellers will engage in competitive pricing, while growing our market share to the benefit of consumers nationwide.

Finally, if the Commissioners can formulate a restructure plan for the C Block carriers, they will be rewarded and congratulated for creating an entirely new competitive PCS industry. I have also enclosed for your information a copy of our written statement that we hoped to deliver at the "open mike" session on Monday.

Sincerely,



John M. O'Brien
CEO

Federal Network's comments

Prepared for the FCC Public Forum - Monday, June 30, 1997 - Room 856

I appreciate the opportunity to testify on the critical need for regulatory action to assist Entrepreneur block licensees. I am a principal in the Federal Network, a recently formed wireless reseller and telecom gateway company based in San Diego CA.

We started our company as a result of the passage of Telecommunications Act of 1996. That milestone legislation created the opportunity for start-up entrepreneurial companies such as ours, to participate in the new " telecommunications industry" an industry that is being characterized by new, unfettered competition and de-regulation, worldwide.

Your establishment of the entrepreneur's block, coupled with advances in digital technology, offers the foundation for entrepreneurial companies, such as the Federal Network to, not only participate, but prosper in the telecommunications industry.

Our business plan is focused on reselling CDMA based PCS services. In that regard, we intend to market PCS services across the country in concert with C Block carriers such as NextWave, General Wireless, Chase Telecommunications and Alpine PCS. .

Our goal is to provide low-cost, high-quality wireless service in every market in which we choose to compete. Our competitive market studies indicate that companies such as ours, and the c-block carriers, will finally break the "high cost wireless service paradigm".

The entrepreneur's block, consisting of over 80 independent companies, will drive new product offerings, new services and innovation in the wireless industry. The cellular carriers and most recently, the A and B Block PCS carriers, have been hesitant about competing on price.

Your decision to create the entrepreneur's block, was a landmark decision to open markets, lower prices, generate innovation and create competition. You cannot now allow the entrepreneur's block to fail, because of unforeseen obstacles that did not exist only a few short months ago.

In closing, we urge that you take decisive and immediate regulatory action to delay and restructure payments for the entrepreneurs. The likely result is that:

The C-block entrepreneur's business
Our business
Billions of dollars to the Federal Government
Thousands of new employees, and
Consumers of wireless services

will all benefit. If the C Block succeeds, we all win.